NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (12/23): **BUTTER:** Grade AA closed at \$0.8850 on 12/22. The weekly average for Grade AA is \$0.8925 (-.0125).

CHEESE: Barrels closed at \$1.1500 and blocks at \$1.1500. The weekly average for barrels is \$1.1500 (-.0280) and blocks, \$1.1438 (-.0372).

NONFAT DRY MILK: Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

BUTTER: The market tone is unsettled. Butter producers and handlers have mixed opinions as to the cash price level once holiday orders have been filled. Some feel that the cash price will continue to weaken while others anticipate the price to be more stable. Churning activity is increasing as more surplus milk and excess cream are available to butter/powder plants. Stocks of bulk and print butter are fully sufficient to meet final holiday orders. Retail sales are good as the combination of the home baking season coupled with widespread feature activity is giving a boost to consumption. Food service orders are mostly steady.

CHEESE: The cheese market is unsettled to weak. Orders are steady to lighter. Most packagers and processors will operate on holiday abbreviated schedules this week and next, reducing bulk cheese needs. Deliveries are also being affected by trucker availability during the holidays. Many firms are also working on year end inventory positioning. Cheese production is seasonally heavy with an increase in surplus milk offerings from Class I as schools close until next year.

FLUID MILK: Milk production continues to increase across the U.S. with volumes well above 1998 levels. Heavy volumes are anticipated to add to the influx of holiday milk available. Class I demand is mixed as supplies are diverted away from schools and into retail features. Manufacturing facilities are expected to increase schedules to adequately handle heavy volumes over the holiday weekend. Cream demand is decreasing as some ice cream plants shut down for the holidays. Supplies are readily diverted into butter plants as churning activity increases. Holiday egg nog, cream cheese, and sour cream production is generally complete. Spot purchases of milk in the Midwest are mostly \$9.00 with some purchases reported as low as \$6.00-\$7.50.

DRY PRODUCTS: Prices are generally unchanged and the markets are steady. Since support prices are not changing, trading is more confident on NDM. However, the market is anticipated to weaken unless more movement is noted to the CCC with the heavy holiday milk volumes. Buttermilk markets are unchanged and trading is light. Production is steady at best as buttermilk competes with NDM for dryer time. Western whey prices are lower with most other markets unchanged. Inventories are building and condensed supplies are plentiful. Lactose and WPC markets are unchanged with lactose being the only bright spot in the coming new year.

CCC: During the period of December 20 - 22, net purchases totaled 5,655,109 pounds of nonfortified and 90,940 pounds of fortified NDM from the West.

COLD STORAGE (NASS &FSA): U.S. cold storage holdings of butter on November 30, 1999 total 27.0 million pounds, down 58.1% from last month and 5.8% lower than November 1998. Natural American cheese holdings total 455.0 million pounds, down 0.8% from October 1999, but 17.1% heavier than last year. Nonfat dry milk holdings at the end of November total 225.0 million pounds, 3.9% lower than October 1999, but 45.2% heavier than last year.

FEDERAL MILK ORDER MARKET SUMMARY (AMS): During November, about 9.3 billion pounds of milk were marketed under Federal orders. Producer deliveries were about 35.2% more than November 1998, and about 1.7% more than October 1999 on an estimated daily average basis. Milk utilized in Class I products in November was 0.9% less than last year on an adjusted basis. The average blend price was \$14.37, \$2.69 less than last year. Changes in class prices from year-earlier levels were: Class I, up \$1.16; Class II, up \$1.16; Class III, down \$7.05; and Class III-A, down \$3.30.

FEDERAL MILK ORDER REFORM (AMS): Advanced prices for January were not available at press time. Prices are to be released at 3:00 EST on December 23, 1999. To obtain these prices dial 608-224-5088 and press 1-4-2-2 or visit our web site at http://www.ams.usda.gov/dairy/fmor_announce.htm

****SPECIALS THIS ISSUE****
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INTERNATIONAL DAIRY MARKET NEWS (PAGE 8)
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FEDERAL MILK ORDERS PRICE AND POOL HIGHLIGHTS (PAGES 11-12)

CHICAGO MERCANTILE EXCHANGE CASH TRADING

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY DECEMBER 20	TUESDAY DECEMBER 21	WEDNESDAY DECEMBER 22	THURSDAY DECEMBER 23	FRIDAY DECEMBER 24	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.1500 (N.C.)	\$1.1500 (N.C.)	\$1.1500 (N.C.)	\$1.1500 (N.C.)	СМЕ	N.C.	\$1.1500 (0280)
40# BLOCKS	\$1.1300 (0175)	\$1.1475 (+.0175)	\$1.1475 (N.C.)	\$1.1500 (+.0025)	CASH	+.0025	\$1.1438 (0372)
NONFAT DRY MILK EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	DAIRY	N.C.	\$1.0300 (N.C.)
GRADE A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	MARKETS	N.C.	\$1.0300 (N.C.)
BUTTER GRADE AA	\$.9000 (0050)		\$.8850 (0150)		CLOSED	0200	\$.8925 (0125)

^{*}Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM ***NOTICE: The CME will be closed on December 31.***

CHICAGO MERCANTILE EXCHANGE

MONDAY, DECEMBER 20, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1300

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 6 CARS GRADE AA: 5 @ \$0.9050, 1 @ \$0.9000; BIDS UNFILLED: 5 CARS GRADE AA: 1 @ \$0.8900, 1 @ \$0.8000, 1 @ \$0.7575, 1 @ \$0.7550, 1 @ \$0.7525; OFFERS UNCOVERED: 2 CARS GRADE AA: 1 @ \$0.9050, 1 @ \$0.9150

TUESDAY, DECEMBER 21, 1999

CHEESE -- SALES: 6 CARS 40# BLOCKS: 3 @ \$1.1400, 1 @ \$1.1500, 1 @ \$1.1500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.1475, 1 @ \$1.1500

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, DECEMBER 22, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1575

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 3 CARS GRADE AA: 1 @ \$0.9000, 1 @ \$0.8900, 1 @ \$0.8850; BIDS UNFILLED: 1 CAR GRADE AA @ \$0.8800; OFFERS UNCOVERED: NONE

THURSDAY, DECEMBER 23, 1999

CHEESE -- SALES: 3 CARS 40# BLOCKS: 1 @ \$1.1300, 1 @ \$1.1475, 1 @ \$1.1400; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.1500; OFFERS UNCOVERED:

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, DECEMBER 24, 1999 -- NO TRADING

BUTTER MARKETS

NOVEMBER COLD STORAGE

U.S. cold storage holdings of butter on November 30, 1999, total 27.0 million pounds, down 58.1% from October and 5.8% lower than November 1998.

NORTHEAST

The market tone is steady to weak. Based on historical patterns and current market conditions, many contacts have been expecting a price drop at the CME. However, through 12/20, prices, for the past few weeks, have held fairly steady. Churning activity is increasing as more surplus milk and excess cream are available to butter/powder plants. Fresh butter stocks are more than adequate to meet bulk and print butter needs. Some printers continue to microfix frozen butter for print needs in an attempt to clear some of their inventories. Retail sales are good as the combination of the home baking season coupled with widespread feature activity is giving a boost to consumption. Food service orders are mostly steady.

CENTRAL

Butter markets remain generally weak. Butter producers and handlers have mixed opinions as to the cash price level once holiday orders have been filled. Some feel that the cash price will continue to weaken while others anticipate the price to be more stable. Buyer interest had been quite strong until early in the week when orders dropped. Some last minute fill-in orders were placed and shipped, but for the most part, Christmas needs have been filled. Butter producers and handlers do not anticipate too heavy of an order week for next week either. Stocks of both fresh

CHEESE

and frozen butter are fully sufficient for future orders. Reports are indicating that this year's Thanksgiving/Christmas holiday period has cleared near record butter volumes in comparison to the past few seasons.

WEST

Butter sales activity remains good this holiday week with last minute fill in needs being covered. Most contacts are pleased with preliminary shipment figures. Feature activity is succeeding in moving good volumes of print butter. Sales into food service accounts are also rated as good. The generally strong economy is certainly helping to spur demand. More cream is entering the churns at this time with butter production increasing. Butter stocks are adequate, but print making capacity may limit some potential sales. Most butter manufacturers are attempting to keep working stocks of butter at very light levels in anticipation of possible lower prices in the near future. Butter stocks in CME approved warehouses are now below 10 million pounds, approximately the same level as last year at this time and down from a spring peak of almost 85 million pounds.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS, TRUCKLOAD QUANTITIES.

DUE TO A LACK OF CONSENSUS ON THE PART OF PRODUCERS AND BUYERS ABOUT THE BASING POINT FOR BULK BUTTER SALES (PREVIOUS FRIDAY'S CLOSE, PREVIOUS WEEK'S AVERAGE, DATE OF SALE, DATE OF SHIPMENT, ETC.), DAIRY MARKET NEWS IS TEMPORARILY SUSPENDING THE REPORTING OF PREMIUMS OR DISCOUNTS.

NASS DAIRY PRODUCT PRICES U.S. AVERAGE AND TOTAL POUNDS

The NASS Dairy Products Price survey for the week ending December 18, will be released on Thursday, December 23 at 3:00pm Eastern Time and is not available for publishing in this report. The data can be found on the Internet address listed below or on our recorded information system. (608-244-5088 -- press 1, 1, 5)

Further data and revisions may be found on the internet at: http://jan.mannlib.cornell.edu/reports/nassr/price/dairy

CHEESE MARKETS

Prices are generally higher, but the market tone is weak. This week's price increases may be a little misleading. Prices at the CME increased for four to five consecutive sessions, spanning two weeks, before starting to fall on December 15. In the next four trading sessions (through December 20), declines offset almost all of the gains recorded earlier. According to some contacts, the price increases were more "wished for" than supply/demand based. Cheese demand remains quite good, but availability is not a problem at this time. Wholesalers are trying to maintain stocks at the lowest possible levels for both year end considerations and the fact that prices are falling. Retail sales have been quite good and food service orders are holding at good levels. Eastern area production levels are increasing now that surplus milk supplies are starting to pick up.

NORTHEAST

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1975-1.6875
Cheddar Single Daisies	:	1.1775-1.6375
Cheddar 40# Block	:	1.3225-1.5000
Process 5# Loaf	:	1.3900-1.5400
Process 5# Sliced	:	1.4100-1.6450
Muenster	:	1.3800-1.6825
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled to weak. Cutters remain active trying to fill orders and some may not be down as long as desired this weekend. Process interest varies from fair to good. Holiday reduced operating, delivery, and shipping schedules are affecting bulk cheese needs. Also, year end inventory positioning is taking place for many buyers and sellers. A few producers are trying to maximize flexibility for late year cheddar production in order to allow for possible clearance to CCC next year if cash market prices decline to support levels. Cheese production is seasonally heavy. Plant operators are trying to arrange schedules to allow room for some attractively priced holiday milk. Surplus milk reported prices are well below class price during the holiday period. However, labor availability may limit some operators' capacity to purchase surplus.

> WISCONSIN WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.3575-1.6400
Brick And/Or Muenster 5#	:	1.5200-1.7425
Cheddar 40# Block	:	1.5200-2.1150
Monterey Jack 10#	:	1.7000-2.1150
Blue 5#	:	1.8775-2.1700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5900-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.3500-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	DECEMBER 20 - 24, 1999
BARRELS*	:	\$1.1500 - 1.1925 (NOMINAL) (\$.0175) (0175)

40# BLOCKS (-\$.0275) (-.0100)

() Change from previous week. * If steel, barrel returned.

\$1.1200 - 1.2100 (NOMINAL)

WEST

Cheese prices have rebounded slightly following trading activity at the CME, but the turnaround is expected to be short lived. Sellers report that activity this holiday is beginning to slow down as most buyers have needed stocks on hand and don't want to deal with holiday issues and transportation problems. Production remains heavy and some manufacturing operations have stocks on hand that are larger than desired. There seems to be mixed plans for next weekend to deal with possible Y2K disruptions. Some plants will be closing for extended periods of time during the transition, while others are confident that systems are in good shape and they will not shut down at all. Natural American cheese stocks at the end of November are 455.0 million pounds, up 17.1% from last year. Swiss stocks, at 9.1 million pounds, are down 23.2% from last year.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.3325-1.5925
Cheddar 40# Block	:	1.3025-1.4425
Cheddar 10# Cuts	:	1.4825-1.7025
Monterey Jack 10#	:	1.4925-1.6625
Grade A Swiss Cuts 6 - 9#	:	2.2700-2.4500

FOREIGN

Domestic style prices are higher and imported styles are mostly unchanged. Some importers/distibutors have moved Roquefort prices lower. This follows recent year end price discounts by some producers in France. Demand for foreign type cheese is at or near its annual peak. Wholesale and retail movement is quite active. Suppliers' stocks are seasonally light. Most imports have slowed to a trickle, a typical pattern for this late in the calendar year.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	: NEW	Y YORK
VARIETY	: IMPORTED	: DOMESTIC
	:	:
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.5325-2.1325*
Gorgonzola	: 3.2400-5.9400	: 2.0825-2.4900*
Parmesan (Italy)	: TFEWR	: 2.9425-2.9675*
Romano (Italy)	: 2.1000-2.5400	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.5425-1.8225*
Sardo Romano (Argentine)	: 2.6500-3.2900	: -0-
Reggianito (Argentine)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.3100	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-
* = Price change.		

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
12/20/99	2,915	:	104,688
12/01/99	6,193	:	110,847
CHANGE	-3,278	:	-6,159
% CHANGE	-53	:	-6

FLUID MILK AND CREAM

EAST

During November, milk production in the 20 major states totaled 11.3 billion pounds, up 4.4% from November 1998. The following are the November to November changes for selected states: Florida -2.8%, Kentucky & Vermont unchanged, Texas +2.5%, Pennsylvania +2.6%, New York +2.7%, and Virginia +6.8%. Milk production is increasing in more areas of the East. The milk flow is growing a little faster than expected which is adding to the developing milk glut during the upcoming holiday period. Milk supplies have been growing, but manufacturers are bracing themselves for the weekend. Bottling was quite good up until Wednesday when many ordered loads were canceled. Florida handlers are not taking any milk in, but expect to ship 44 loads out of state for processing. Handlers in other Southeastern states are not bringing in any outside milk and have growing volumes from their own sources. Most seasonal manufacturing plants are prepared to run and should be operating near capacity by Friday. Bottled milk sales are fair at retail; very slow to school lunch programs. Handlers in all sections of the East have made plans to clear any excess milk that they may not be able to handle. They are now keeping their fingers crossed that nothing happens to disrupt those plans. The condensed skim market is unchanged. Demand is slow to fair and supplies are ample. The fluid cream market was fairly firm early, but quickly weakened as offerings increased and demand slowed. Multiples are unchanged to lower and expected to move sharply lower on any distressed Class III loads. Many ice cream plants are down for several days over the holidays which pushes more cream onto the market. Those operations that remain open may find some attractively priced spot cream available. Cream cheese production is holding up as only scattered operations will be down for various periods of time. Egg nog output is pretty much finished and orders have been filled. Contacts report a decent year, but wonder how egg nog's inclusion as a Class I product and the Federal order reform will effect retail prices and sales next year. Bottled cream sales are good, but production is tapering off as most orders have been filled. Churning activity is increasing.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST - 1.1313-1.2670

Delivered Equivalent Atlanta - 1.1222-1.2489 M 1.1403-1.2308

F.O.B. Producing Plants: Upper Midwest - 1.1313-1.2218

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:

Northeast- Class II - includes monthly formula prices - 1.0500-1.2500 Northeast- Class III - spot prices - .9000-.9500

MIDWEST

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
DECEMBER 17 - 22, 1999	12
PREVIOUS WEEK	14
COMPARABLE WEEK IN 1998	6

DESTINATIONS: MISSOURI 12

Class I demand is mixed, generally good where featured at retail, but irregular even early in the week to school accounts. There were no direct shipped loads pooled under a Southern federal order to supplement local offerings. Production of holiday items such as egg nog, whipped cream, and dips was active until midweek to finish late orders. However, as schools close until next year, Class I usage will be lower. Regular bottling schedules are also being adjusted from normal patterns during

the holidays. Surplus milk volumes are increasing with spot prices declining. Many handlers and sellers locked in prices closer to class on early commitments. Spot surplus prices are generally \$9.00 or \$1.00 to \$1.50 under class early in the week. However, plant managers were booking loads at prices ranging from around \$9.00, though purchases were reported in the \$6.00 - 7.50 area. Manufacturing schedules are seasonally active without the extra milk. Milk intakes continue to increase seasonally. Fat and protein tests remain good. A limiting factor at some plants is having enough qualified labor to operate as well as difficulties in finding over the road truckers during the period. Cream demand is mixed with the lowest prices reported for holiday supplies rather than during normal production days. A few ice cream operations are closed until the new year. Scattered snow and colder than normal temperatures covered the region.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

DEC 16 - 21 PREVIOUS YEAR \$15.00 + 42.00 \$31.00 - 35.00 PREPLACEMENT HEIFER CALVES \$250.00-345.00 \$180.00-220.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

DEC 16 - 21 PREVIOUS YEAR

SLAUGHTER COWS \$ 32.00- 44.75 \$ 27.50- 37.50

WEST

Milk production levels are strong in all Southwestern states entering the end of the year with levels being well above 1998 levels. Weather conditions remain favorable. Cow numbers are higher in the region with a number of new or expanded facilities coming on line. Feed prices and availability are positive factors from the milk producers' perspective. Weaker milk prices are casting a lull over the industry, but the full effect of recent declines has not been fully reflected in milk checks. Plants in the regions are expected to be running on extended schedules during the next two weeks to process surplus milk volumes. Fluid processors will generally be down on the holiday weekends and there is some trepidation that some plants may be processing water to fill Y2K orders and forgo milk. It is anticipated that when the year, century, and millennium rolls over on December 31, that fluid processors will test equipment with water. Many cheese producers are planning to have their processing equipment cleaned out at the year end and will start up slowly on January 1. Cream orders have slowed and cream is settling into local butter plants. The heavy rains and snow of the past few weeks have stopped, giving the Pacific Northwest a break over the holidays. No major storms are expected for a week and temperatures are moderate. Milk production remains heavier than anticipated. There are no signs of any slow down in milk output related to the lower milk prices currently and that will probably be around for much of the winter. Culling rates are light. Heifer demand in the region remains strong. Most producers have hay and feed needs covered at very favorable prices for the winter feeding season and are therefore less concerned about low milk prices in the short run. Most manufacturing plants are planning to be at capacity over the Christmas weekend to process surplus milk. Seasonal weather conditions are the rule over most of Utah and Idaho. Light snowfall has been common in the valleys with heavier amounts up at elevation. Conditions are excellent for continued strong milk output. Lower milk prices have not impacted ongoing expansions, but they have slowed those projects that are only in the planning stages. Bankers seem to be hesitant on making loans when bench mark prices are below \$10. Manufacturing plant expansoins continue with new plants either on the drawing boards, in the permit stage, or being contemplated.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 12/22/99 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NOTICE: Due to the year end holidays, prices for Report 52 will be released at 2:00 CST on Wednesdays, 12/29.

NONFAT DRY MILK - CENTRAL

Prices are unchanged on a mostly steady market. Buyers are less inclined to believe that prices will continue to drop since the USDA announced that support prices will remain unchanged. Demand is slow although improved compared to last week. Some orders are anticipated to increase next week as preparations are made for January. Production is steady with increases anticipated as holiday milk is diverted to manufacturing facilities. Inventories are mostly in balance and building. West coast product remains competitive with supplies in the Midwest. Bulk load shipments continue to be available at the lower end of the range.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0000 - 1.0300 MOSTLY: 1.0200 - 1.0300

DRY BUTTERMILK - CENTRAL

Prices are unchanged on a mostly steady market. Lower competitive prices on the West are not encouraging Midwest producers to reduce prices. Producer stocks are in balance to instances tight. Good ice cream production continues to clear available condensed supplies. Surplus condensed product anticipated during the holidays has yet to appear. Dry production schedules remain mostly unchanged for the light to fair demand. Some aged product is moving into feed manufacturing facilities at good discounts. Resale product is reportedly available at prices just above the average.

BUTTERMILK: .7700 - .8500

DRY WHEY - CENTRAL

Prices are generally unchanged on a steady market. Less discounting is noted and movement is improving. Producers are not sure if the increased demand is due to Y2K, shorter work weeks, or decent interest from baking, ice cream, feed, and export markets. Inventories are in balance to sold out. Brand specific product continues to gain premium prices. Production is mostly steady with some anticipated increases over the holidays. Activity reported by traders is very light and buyers continue to purchase on an as need basis. Condensed whey is plentiful as some end users shut down operations for seasonal maintenance and inventory. Off grade product is readily available for the light demand. stocks are mostly in balance and production is steady.

NONHYGROSCOPIC: .1800 - .1950 MOSTLY: .1800 - .1850

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged on a generally steady market. While interest from feed facilities has increased, plenty of milk replacer quality product remains available. Off grade delactose is in good supply and clearing well at good discounts. Stocks of delactose are generally in balance. Roller ground movement is steady at best. Barrow, gilt, and early weaned pig prices are trading higher and the North Central veal market is generally steady.

 MILK REPLACER:
 .1300 - .1700

 STANDARD:
 TFEWR

 ROLLER GROUND:
 .1675 - .1900

 DELACTOSE (Min. 20% protein):
 .2600 - .3150

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a steady to firm market. Trading is light with most movement occurring on contracts with some buyers requesting additional loads on regular commitments. Some trade has been noted into feed facilities at prices above the average. Production remains strong and inventories are in balance to instances tight. Contracts continue to settle higher for the first quarter with negotiations into Japan the most difficult to finalize. Prices are not anticipated to change until after the new year. Producers hope that increases in demand during the end of the year do not deter spot interest in the first quarter. Off grade product remains tight in supply for the good feed demand.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

DIBLE: .1700 - .2450 MOSTLY: .1900 - .2000

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices remain unchanged on a steady market. Some contracted bulk loads and export movement relieved heavy inventories. While West coast manufacturers are now in a better position, the market appears to be steady at best. Some producers fear that increased year end movement will deter interest in January. Suppliers in the Midwest remain in good balance. Condensed product is more available as end users shut down for seasonal maintenance and year end inventories. Dry inventories are anticipated to build as condensed is diverted to manufacturing over the holidays. Resale Grade A product is available above the average. Off grade product is in good supply and clearing at good discounts.

EXTRA GRADE 34% PROTEIN: .4050 - .4650 MOSTLY: .4250 - .4450

NONFAT DRY MILK - WEST

Nonfat dry milk prices are unchanged but the market tone shows more weakness. Holiday production schedules are gearing up to process heavy milk volumes. Producers are expecting to remain open and operating at high levels over the next two holiday weekends. Demand is slowing from all areas for both domestic and DEIP sales. High heat prices are unchanged in a limited test. Output is slowing as dryer time is being used to process as much milk as possible. The announcement last week that the NDM support price would remain at \$1.0100 for the start of calendar year 2000 was welcomed and received positively by most contacts. During the week of December 13 - 17, CCC net purchases totaled 9.3 million pounds of nonfortified and fortified NDM from Western and Midwestern sources.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9800 - 1.0300 MOSTLY: 1.0000 - 1.0150

HIGH HEAT: 1.0200 - 1.0450

DRY BUTTERMILK - WEST

During the holiday shortened week, pricing levels are holding generally steady. Buying interest is slow as buyers are not wanting to deal with shipping and inventory issues. Drying is increasing due to increased churning schedules and lighter interest for condensed buttermilk. There are concerns of buttermilk not able to be dried over the next two weeks as dryers get full of nonfat dry milk. Dry buttermilk inventories are higher.

BUTTERMILK: .6500 - .8000 MOSTLY: .6700 - .7100

DRY WHEY - WEST

Prices continue to slide for both the range and mostly for Western whey powder. Demand has slowed because of end of the year and holiday issues. Transportation problems are also a concern for many buyers and sellers. Stocks are a little higher than desired at most manufacturing plants. Many plants will be working extended schedules to process additional supplies of surplus milk.

NONHYGROSCOPIC: .1700 - .2200 MOSTLY: .1925 - .2025

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING PRICE POUNDS

December 17 \$1.0109 9,727,286

December 10 \$1.0115 11,101,450

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NOTICE: Due to the year end holidays, prices for Report 52 will be released at 2:00 CST on Wednesdays, 12/29.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are mostly unchanged and the market tone is steady. Production levels had not increased too much at midweek, but contacts expect drying to pick up significantly after Wednesday when more surplus milk was expected. Currently, producer stocks are very well balanced, but inventories should be replenished during the next two - three weeks. Demand for NDM is mostly steady with only limited spot activity being reported which is typical for this time of year. Traders report a very quiet week and expect little change next week.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0100 - 1.0500 MOSTLY: 1.0100 - 1.0300 HIGH HEAT: 1.0450 - 1.1100 MOSTLY: 1.0700 - 1.0850

DELVD SOUTHEAST:

ALL HEATS: 1.0400 - 1.1300

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are steady. Production levels are mixed. As more butter is being made during the holiday period, more buttermilk needs to be processed. However, with all the skim to be dried, there is little dryer-time for buttermilk. Sales of condensed continue, but the pace is also slowing. Demand for dry buttermilk is steady and clears current output. However, during the holidays, output is expected to be higher and some inventories will be accumulated.

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are still geared to meeting orders. However, with the glut of milk expected during the holidays, dryers may not take the time to dry whole milk. Plant stocks are closely balanced. Some new, small volume DEIP bids have been accepted. Domestic spot demand is slow to fair.

F.O.B. PRODUCING PLANT: 1.0800 - 1.2500

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH DECEMBER 17, 1999 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK - 70,120 MT (154,586,552 LBS)

CHANGE - 2,815 MT (6,205,949 LBS)

WHOLE MILK POWDER - 4,455 MT (9,821,493 LBS)

CHANGE - 197 MT (434,306 LBS)

CHEESE - 1,150 MT (2,535,290 LBS)

BUTTERFAT - 2,331 MT (5,138,923 LBS) CHANGE - 19 MT (41,887 LBS)

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT.

These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are mostly unchanged, but some fractional adjustments have been noted. The market tone is steady. Production levels are unchanged to heavier as more milk is available to most Northeastern cheese operations. Dry whey stocks range from sold out to adequate. Domestic demand is slow to fair, some export interest still clears decent volumes. Overall, demand is typical for this time of year as users want to work off existing inventories before reordering for delivery early next year.

F.O.B. NORTHEAST: EXTRA GRADE .1825 - .1900 USPH GRADE A .1925 - .2050 DELVD SOUTHEAST: .1950 - .2225

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report. The market tone is slightly better, but there is still a lot of animal feed quality whey sitting in producers' warehouses. Spot demand is steady, but best on the "top quality" product and still very slow on the remainder.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Producers are mostly replenishing inventories. Most orders have been filled and retailers are assessing their year end inventory situation before reordering. Production levels are increasing as more milk is available in most regions of the country. The Kansas City Commodity office announced the purchase of 1,395,360 pounds of canned evaporated milk under EVD-1, invitation 620 at \$.4125-.4488 per pound for delivery in February 2000. They also purchased 1,872,720 pounds under EVD-1, invitation 621 at \$.4215-.4465 per pound for delivery in March 2000.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$24.68 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets are firm with prices unchanged to higher. Buyers remain cautious in their purchases since prices have firmed over the past month. For the most part, contracted volumes are arriving on schedule, although spot offerings are less available. Many domestic buyers feel that supplies will remain tighter during the first quarter of 2000, but then feel that the supply situation should loosen and prices will hopefully weaken. During September, casein imports into the United States totaled 6,241,815 kg. The cumulative amount for the first nine (9) months of the year totals 54,508,699 kg, 11% lighter than the same nine months in 1998.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 1.8000 - 1.9500 ACID: 1.8500 - 2.0500

COFFEE, SUGAR & COCOA EXCHANGE (A subsidiary of the NEW YORK BOARD OF TRADE) AND CHICAGO MERCANTILE EXCHANGE FUTURES Selected settling prices, (open interest), and volume 1/

Month	12/08	12/09	12/10	12/13	12/14	12/15	12/16	12/17	12/20	12/21
CSCE/N	YBT - BFP - - Do	llars per cwt.								
DEC 99 JAN 00 FEB 00 MAR 00 APR 00 MAY 00 JUN 00 JUL 00 AUG 00	9.80 (139) 0 10.75 (66) 28 10.78 (43) 12 11.10 (33) 4 11.10 (24) 2 11.20 (23) 3 11.70 (18) 4 12.48 (12) 2 12.80 (7) 1	9.83 (139) 1 11.05 (62) 2 11.05 (41) 2 11.30 (33) 0 11.28 (24) 0 11.35 (23) 0 11.85 (18) 0 12.55 (15) 3 12.85 (9) 2	9.90 (139) 0 11.08 (63) 1 11.20 (42) 1 11.30 (33) 0 11.30 (24) 0 11.40 (23) 0 11.85 (18) 0 12.55 (15) 0 12.85 (11) 1	9.90 (139) 0 10.98 (65) 2 11.20 (43) 1 11.20 (33) 0 11.28 (24) 0 11.38 (23) 0 11.90 (18) 0 12.55 (15) 0 12.85 (11) 0	9.90 (139) 0 11.05 (65) 0 11.20 (43) 0 11.20 (34) 1 11.20 (25) 1 11.45 (24) 1 11.95 (18) 0 12.58 (16) 1 12.85 (11) 0	9.78 (139) 2 10.68 (65) 0 10.78 (43) 0 10.85 (34) 0 10.95 (27) 2 11.43 (24) 0 11.80 (18) 0 12.53 (16) 0 12.78 (11) 0	9.68 (137) 0 10.48 (65) 0 10.60 (43) 0 10.68 (35) 1 10.95 (28) 1 11.30 (25) 1 11.80 (18) 0 12.53 (17) 1 12.78 (11) 0	9.70 (137) 0 10.49 (65) 0 10.70 (43) 0 10.80 (35) 0 11.15 (30) 2 11.35 (26) 1 11.80 (19) 1 12.60 (18) 1 12.78 (13) 2	9.71 (137) 0 10.49 (65) 0 10.65 (45) 2 10.70 (35) 0 11.15 (31) 1 11.25 (28) 2 11.75 (21) 2 12.60 (19) 1 12.80 (13) 0	9.70 (136) 3 10.60 (67) 2 10.65 (45) 0 10.70 (35) 0 11.15 (33) 2 11.25 (28) 0 11.83 (23) 2 12.60 (21) 2 12.85 (14) 1
CME - BU	JTTER Cents per	pound								
FEB 00 MAR 00 MAY 00 JLY 00 SEP 00	100.00 (100) 0 102.025 (85) 4 102.00 (71) 0 108.50 (98) 2 114.025 (68) 12	100.00 (100) 0 102.025 (85) 0 106.00 (74) 3 110.00 (98) 0 115.00 (71) 4	103.05 (100) 0 104.00 (85) 0 108.00 (74) 0 113.00 (99) 3 116.50 (71) 0	103.50 (103) 3 104.50 (85) 0 108.00 (74) 0 113.25 (102) 3 117.00 (73) 2	103.50 (103) 4 104.00 (92) 8 107.25 (76) 2 112.00 (109) 7 116.00 (82) 12	101.00 (104) 3 103.00 (95) 3 107.25 (76) 0 111.50 (115) 6 115.00 (100) 26	101.525 (105) 1 103.00 (100) 5 107.25 (76) 0 111.00 (119) 4 115.025 (102) 5	102.00 (108) 3 100.00 (109) 10 105.75 (76) 4 110.00 (127) 10 113.00 (125) 24	99.00 (110) 6 101.00 (110) 5 104.00 (78) 4 108.00 (135) 17 112.50 (131) 16	` '
CME - BF	P Dollars per cwt									
DEC 99 JAN 00 FEB 00 MAR 00 APR 00 MAY 00 JUN 00 JUL 00 AUG 00 SEP 00	9.80 (975) 17 10.74 (760) 47 10.66 (598) 31 10.90 (549) 14 11.18 (402) 13 11.15 (342) 2 11.70 (263) 11 12.50 (234) 11 12.85 (235) 22 13.04 (197) 22	9.86 (979) 43 11.02 (774) 82 11.03 (580) 56 11.20 (550) 34 11.34 (403) 18 11.34 (346) 11 11.85 (270) 17 12.55 (244) 21 12.88 (243) 18 13.09 (209) 23	9.94 (974) 7 11.01 (760) 61 11.18 (573) 31 11.25 (546) 9 11.37 (408) 12 11.39 (346) 5 11.88 (272) 3 12.55 (244) 4 12.88 (253) 25 13.07 (211) 15	9.88 (977) 6 10.97 (755) 10 11.05 (573) 8 11.24 (552) 7 11.35 (408) 1 11.39 (346) 0 11.88 (272) 0 12.55 (249) 5 12.87 (253) 0 13.07 (211) 0	9.85 (990) 1 10.90 (751) 18 11.05 (581) 13 11.15 (559) 13 11.30 (410) 11 11.43 (367) 23 11.86 (275) 4 12.55 (257) 8 12.85 (254) 5 13.05 (215) 4	9.74 (990) 1 10.46 (759) 45 10.55 (589) 17 10.60 (580) 34 10.95 (427) 49 11.30 (388) 42 11.80 (294) 35 12.36 (270) 13 12.80 (250) 6 13.00 (215) 3	9.66 (993) 6 10.38 (772) 27 10.52 (594) 6 10.55 (580) 5 10.95 (437) 11 11.16 (389) 7 11.60 (297) 4 12.49 (272) 4 12.80 (253) 4 12.99 (218) 3	9.67 (999) 30 10.48 (771) 4 10.65 (600) 7 10.70 (585) 5 11.10 (437) 1 11.30 (389) 1 11.80 (300) 7 12.60 (276) 23 12.90 (274) 21 13.10 (224) 7	9.47 (1000) 1 10.45 (774) 3 10.67 (600) 3 10.67 (585) 2 11.10 (450) 15 11.30 (391) 2 11.80 (302) 3 12.59 (278) 11 12.85 (274) 3 13.10 230) 6	9.65 (1000) 10 10.50 (774) 4 10.65 (600) 6 10.70 (585) 2 11.10 (446) 4 11.30 (391) 0 11.85 (308) 12 12.59 (287) 12 12.85 (274) 4 13.09 (238) 8
CME - CH	HEDDAR CHEESI	E Cents per pour	nd							
DEC 99	125.50 (0) 0	125.50 (0) 0	125.50 (0) 0	125.50 (0) 0	125.50 (0) 0	125.50 (0) 0	125.50 (0) 0	125.50 (0) 0	123.00 (0) 0	118.00 (0) 0

1/ At the CSCE/NYBT Open interest for BFP -- 100,000 pounds per contract. At the CME Open interest for BFP -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

NOTE: The CME started futures trading for dry whey and nonfat dry milk (NDM) on November 16, 1998. Up to this point, there have been no settling prices recorded for either product.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered December 13 - 24, 1999

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: European milk production is seasonally low, although reports indicate that milk output is starting to recover in some countries. Winter weather conditions prevail in most countries, although not adversely affecting milk growth. In comparison to last year, overall milk production in Western Europe is higher. Manufacturing schedules are also seasonally low, thus generation of fresh dairy products is limited. Traders are stating that limited fresh product is quickly clearing the market place. Stocks of intervention skim milk powder continue to re-enter the market, but this activity has slowed and is expected to remain light until after the first of the year. For the most part, current sales activity is centering around local or but developing for first quarter deliveries. Some traders report that domestic sales have been stronger during the past few weeks, but now have slowed as buyers observe the year end holiday period. The recent subsidy adjustment, the second in about six weeks, of 2.8% on whole milk and 5% on skim milk powder is having little impact on current markets. For the most part, the lack of supply is limiting sales, thus no significant influence on prices is being felt in the market place.

BUTTER/BUTTEROIL: European butter markets are much the same as they have been over the past few weeks. Fresh butter stocks are limited, thus butter is re-entering the market from PSA stocks. Reports indicate that butter is limited in Eastern Europe and traders are looking to Western European sources to help supplement their shortage for domestic needs.

82% BUTTERFAT: 1,450 - 1,650 99% BUTTERFAT: 1,650 - 1,900

SKIM MILK POWDER (SMP): Skim milk powder markets are basically steady at unchanged prices. European stocks continue to be reported as tight. Intervention stocks continue to re-enter the market. Traders are stating that intervention clearances have slowed during the past week, of which they attribute this to the year end holiday period. The recent subsidy adjustment has had little impact on current prices. International sales remain light due to limited stocks, but are developing for delivery during the later part of the first quarter.

1.25% BUTTERFAT: 1,400 - 1,450

WHOLE MILK POWDER (WMP): Whole milk powder markets are steady at unchanged prices. The recent subsidy adjustment on whole milk powder is having very little, if any, impact on current prices. Sales activity is light for immediate shipment, but is developing for first quarter deliveries. Stocks of whole milk powder are limited, but traders feel that supplies will become more available as the new milk production season resumes.

26% BUTTERFAT: 1,550 - 1,650

SWEET WHEY POWDER: Whey markets are steady at unchanged prices. Late season cheese production is generating additional volumes of whey, thus stocks are available for buyer interest. Overall buying interest is slow and unaggressive. Although stocks are available, asking prices are higher than buyers are willing to pay.

NONHYGROSCOPIC: 520 - 580

OVERVIEW: EASTERN EUROPE: Eastern European milk production and market conditions are much the same as they have been over the past few weeks. Milk production is at seasonally low levels thus production of fresh manufactured dairy products is limited. Milk volumes during the past production season have been lighter due to low milk prices and adverse weather conditions. Some reports indicate that milk output in Eastern Europe, especially in Poland, might be as much as 10% behind last season. Stocks of most all dairy products are lighter than desired. Some Eastern European traders are looking to Western sources to secure butter for their own domestic needs. Current buying interest is centering around local or domestic needs with minimal international sales at this time. Some traders are reporting that buyer interest for skim and whole milk powder is occurring for first quarter delivery.

OCEANIA

OVERVIEW: Milk production in Australia and New Zealand continues to edge lower. In both countries, milk output is declining to the point that the very favorable early-on percentages in comparison to the previous year are edging lower, but still are running ahead of last year. The deregulation vote in Victoria, Australia is now over and received a surprisingly large voter turn out. Of the eligible dairy farmers in Victoria, 84.6% voted and of those voters, 89.1% voted in favor of deregulation. Dairy industry officials are stating that this sends a clear cut message to state and federal government officials what producers and the dairy industry desires. The next step is for state and federal government officials to act upon this and get the program in place and operational by July 1, 2000. Stocks of manufactured dairy products in the Oceania region range from in balance to short of desired needs. New Zealand's stock levels were very low as the current milk production season began, thus they have virtually had to replenish from nothing. Oceania traders are very optimistic about international trade during the early part of the new year. At this time, sales continue to regular customers with Southeast Asia remaining a good market. Traders are stating that new interest, for immediate shipment, is slow as the year end holidays are at hand.

BUTTER: Oceania butter markets remain steady at unchanged prices. Butter demand is fairly good for this time of the year. Stocks are reported to be in close balance with demand. Traders report that overall demand has slowed as the year end holiday period nears, but anticipate sales and shipments to resume after the first of the year.

82% BUTTERFAT: 1,200 - 1,250

CHEDDAR CHEESE: As in most other markets, the Oceania cheese market is quiet. Traders report that sales continue to regular customers, but outside of this, sales are slow. Of Oceania manufactured dairy products, cheddar cheese is reported to be the most available at this time. Traders anticipate buyer interest to gain momentum after the first of the year with stocks fully sufficient to meet this projected demand.

39% MAXIMUM MOISTURE: 1,675 - 1,750

SKIM MILK POWDER (SMP): Skim milk powder markets are generally steady, although an unsettled undertone prevails. Stocks are reported to be limited in New Zealand, while reports indicate that Australian stocks are more available. Buyer interest for immediate shipment is slow and unaggresive, although buyers are looking for stocks for first quarter shipment. It appears that European stocks are also limited, thus current buyer inquiries might have to be filled from multiple sourcing points such as Oceania, Europe, Argentina and the U.S.

1.25% BUTTERFAT: 1,400 - 1,45

WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady at unchanged prices. Stocks of powder are reported to be in close/comfortable balance with current and projected needs. Current buyer interest has slowed as the year end nears, but Oceania traders are very optimistic that sales will resume after the first of the year. Some buyer interest is occurring for first quarter shipment.

26% BUTTERFAT: 1,475 - 1,500

Exchange rates for selected foreign currencies: December 20, 1999

.4601 Dutch Guilder .5185 German Mark
.1546 French Franc .5078 New Zealand Dollar
.1073 Mexican Peso .6427 Australian Dollar
1.6061 British Pound .0098 Japanese Yen
.2408 Polish Zloty 1.0140 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1073) = 9.3197. That is 1 US Dollar equals 9.3197 Mexican Pesos.

Source: "Wall Street Journal"

MONTHLY COLD STORAGE REPORT - TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

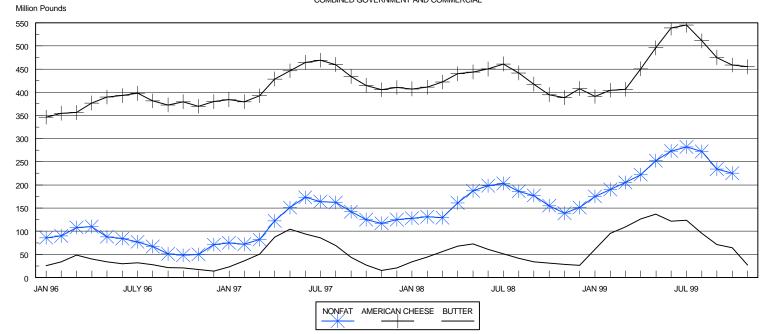
All stocks in thousand pounds except where otherwise indicated.

	U.S. HOLDINGS OF DAIRY PRODUCTS													
	OCT 31,	OCT 31,	REVISED	NOV 30,	NOV 30,	NOV 30,								
COMMODITY	1997	1998	OCT 31, 1999	1997	1998	1999								
Cream														
Butter	26,581	31,164	64,449	15,365	28,698	27,032								
Evap. & Cond. Milk														
Cheese, Natural American	414,798	394,692	458,569	405,484	388,529	455,014								
Cheese, Swiss	11,630	12,362	9,372	13,450	11,911	9,145								
Cheese, Other Natural	78,542	115,658	153,072	153,072 55,445		133,819								
	U.S. GOVERNI	MENT OWNE	CD COLD STO	RAGE HOLD	INGS									
Butter	392	8	391	364	8	319								
Natural American Cheese	61	216	67	149	26	47								

NOVEMBER COLD STORAGE HOLDINGS BY REGION													
	Natur	al American Cl	neese		Butter		Oth	er Natural Che	eese				
REGION	1997	1998	1999	1997	997 1998 19		1997	1998	1999				
New England	20,874	21,656	22,479	1,312			70	270	504				
Middle Atlantic	37,843	40,450	41,187	1,459			6,279	6,874	6,644				
East North Central	232,266	202,290	216,501	7,029			37,823	75,923	77,424				
West North Central	53,588	55,061	98,300	1,002			4,326	1,930	39,872				
South Atlantic	254	527	409	11			2,467	725	1,650				
East South Central	197	194	0	32			1,471	1,443	146				
West South Central	610	385	835	1,064			166	236	144				
Mountain	15,426	14,774	10,266	290			587	671	324				
Pacific	44,426	53,192	65,037	3,166			2,256	5,957	7,111				
TOTAL	405,484	388,529	455,014	15,365	28,698	27,032	55,445	94,029	133,819				

^{*}Regional breakdowns are not reported to avoid possible disclosure of individual operations.





COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 1998 TO DATE

			Bu	tter			Natural American Cheese						Nonfat Dry Milk					
	Tota	al <u>1</u> /	Comm	nercial	Gover	nment	Tota	al <u>1</u> /	Commercial		Government		Total <u>1</u> / <u>2</u> /		Commercial		Government 2/	
Month	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
			Million	Pounds					Million	Pounds					Millio	n Pounds		
January	61	34	61	34	<u>3</u> /	<u>3</u> /	391	407	391	407	<u>3</u> /	<u>3</u> /	175	128	82	104	93	24
February	95	44	95	44	<u>3</u> /	<u>3</u> /	404	411	404	411	<u>3</u> /	<u>3</u> /	190	131	108	105	82	26
March	109	56	109	56	<u>3</u> /	<u>3</u> /	406	422	406	422	<u>3</u> /	<u>3</u> /	205	129	123	93	83	36
April	126	67	126	67	<u>3</u> /	<u>3</u> /	451	440	451	440	<u>3</u> /	<u>3</u> /	222	161	136	113	86	48
May	137	73	136	72	<u>3</u> /	<u>3</u> /	496	444	496	444	<u>3</u> /	<u>3</u> /	252	187	164	132	88	55
June	121	61	121	60	<u>3</u> /	<u>3</u> /	539	450	539	450	<u>3</u> /	<u>3</u> /	273	198	158	129	114	69
July	124	51	123	51	<u>3</u> /	<u>3</u> /	545	461	545	461	<u>3</u> /	<u>3</u> /	282	203	141	112	141	91
August	95	41	95	41	<u>3</u> /	<u>3</u> /	511	442	511	441	<u>3</u> /	<u>3</u> /	272	186	101	78	171	108
September	71	34	71	34	<u>3</u> /	<u>3</u> /	475	417	475	417	<u>3</u> /	<u>3</u> /	234	177	87	64	147	112
October	64	31	64	31	<u>3</u> /	<u>3</u> /	459	395	459	394	<u>3</u> /	<u>3</u> /	225	155	92	46	133	109
November	27	29	27	29	<u>3</u> /	<u>3</u> /	455	389	455	389	<u>3</u> /	<u>3</u> /		139		42		97
December		26		26		<u>3</u> /		408		408		<u>3</u> /		151		56		95

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Oct 31, 1997	Oct 31, 1998	Oct 31, 1999	Nov 30, 1997	Nov 30, 1998	Nov 30, 1999						
Commodity	Thousand Pounds											
Butter	26,189	31,156	71,259	15,001	28,690	26,713						
Natural American Cheese	414,737	394,476	474,837	405,335	388,503	454,967						

^{1/} Total holdings minus Government owned holdings. For more information, see page 9 of this report.

SOURCE: "Cold Storage," Co St 1 (12-99) and "Dairy Products," Da 2-6 (12-99), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Agricultural Stabilization and Conservation Service.

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS

FEDERAL MILK ORDER MARKET SUMMARY FOR NOVEMBER 1999. During November, about 9.3 billion pounds of milk were marketed under Federal orders. (Significant volumes of milk that normally would have been pooled under Federal milk orders were not pooled in November 1999 and 1998.) Producer deliveries were about 35.2 percent greater than November 1998, and about 1.7 percent more than October 1999 on a daily average basis. Milk utilized in Class I products in November was 0.9 percent less than last year on an adjusted basis. Class I use this year represented 41 percent of producer milk deliveries compared to 54 percent in November 1998. The average blend price was \$14.37 per cwt., \$2.69 less than last year. Changes in class prices from year-earlier levels were as follows: Class I, up \$1.16; Class II, up \$1.16, Class III, down \$7.05; and Class III-A, down \$3.30.

PRICE A	ND POOL STAT	ISTICS FOR FEI	DERAL MILK ORD	ER MARKETI	NG AREAS FOR T	HE MONTH	OF NOVEMI	BER 1999		
			RE	CEIPTS AND UT	ΓILIZATION			PRICE A	ND BUTTERF	AT DIFF.
FEDERAL MILK ORDER MARKETING AREAS 1/	ORDER NO.	RECEIPTS FRO	M PRODUCERS	RECEIPTS U	RECEIPTS USED IN CLASS I PERCENT USED IN CLASS I			BLEND P	BUTTER- FAT DIFF. <u>3</u> /	
AREAS <u>1</u> /		1999 TOTAL	CHANGE FROM 1998	1999 TOTAL	CHANGE FROM 1998	1999	1998	1999	1998	1999
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERO	CENT	DOLL	ARS	CENTS
New England (Boston)	1	483.7	4.8	239.2	8.5	49	48	16.13	17.39	10.7
New York/New Jersey (NY City)	2	910.0	-0.7	380.0	-6.6	42	44	15.24	17.50	10.7
Middle Atlantic (Philadelphia- Baltimore/Washington, D.C.)	4	502.4	4.6	244.4	11.0	49	46	15.72	17.11	
NORTHEAST REGION		1,896.0	2.0	863.6	1.9	46	46	15.59	17.37	10.7
Carolina (Charlotte)	5	287.9	15.2	218.1	10.0	76	79	18.04	17.73	10.7
Southeast (Atlanta/Birmingham)	7	495.8	4.3	403.0	4.1	81	81	18.25	17.92	10.7
Florida Markets (Tampa /Jacksonville/										
Tallahassee/Miami)	12 <u>4</u> /	225.1	2.5	205.4	7.1	91	87	19.58	18.48	10.7
SOUTHEASTERN REGION		1,008.8	6.8	826.5	6.4	82	82	18.49	18.00	10.7
Michigan Upper Peninsula (Marquette)	44 <u>5</u> /	5.4	12.8	4.6	5.3	85	91	16.54	16.46	10.7
Southern Michigan (Detroit)	40 <u>5</u> / <u>6</u> /	344.2	-0.3	172.2	-3.3	50	52	15.27	16.45	
E. Ohio/W. PA (Cleveland/Pittsburgh)	36 <u>6</u> /	264.5	0.4	156.9	6.9	59	56	15.24	16.86	
Ohio Valley (Columbus)	33 <u>5</u> / <u>6</u> /	243.5	20.7	146.2	7.4	60	67	15.83	16.69	
Indiana (Indianapolis)	49 <u>6</u> /	153.7	3.9	91.4	-7.7	60	67	16.06	16.54	
Chicago Regional	30 <u>5</u> / <u>6</u> /	1,275.1	143.7	222.5	2.1	17	42	11.61	16.39	
Central Illinois (Peoria)	50 <u>5</u> /	18.2	10.9	13.3	-5.5	73	86	15.92	16.69	10.7
S. Illinois-E. Missouri (Alton)	32 <u>5</u> / <u>6</u> /	150.7	23.9	90.5	11.5	60	67	16.29	16.65	10.7
Louisville-Lexington-Evansville	46	107.0	2.1	86.1	5.7	80	78	17.66	16.89	10.7
Upper Midwest (Minneapolis)	68 <u>5</u> / <u>6</u> /	911.4	270.3	139.1	-2.7	15	58	11.24	16.36	
Iowa (Des Moines)	79 <u>5</u> / <u>6</u> /	360.9	144.0	95.0	8.8	26	59	12.37	16.36	
Nebraska/W. Iowa (Omaha/Sioux City)	65 <u>5</u> / <u>6</u> /	165.0	75.0	50.0	-0.3	30	53	13.30	16.10	
Greater Kansas City/E. S. Dakota	64 <u>5</u> / <u>6</u> / <u>7</u> / <u>8</u> /	45.4	1.7					17.82	16.92	10.7
MIDWEST REGION	<u>9</u> /	4,044.9	78.8	1,267.8	2.3	31	55	13.07	16.52	10.7

PRICE A	ND POOL STATIS	STICS FOR FEDE	RAL MILK ORDE	P MARKETING	AREAS FOR THE	MONTHO	F NOVEMBE	D 1000		
T RICE A	TOOL STATE	TICS FOR FEDE		CEIPTS AND UTI		MONTHO	FIGVENIDE		AND BUTTERF	AT DIFF.
FEDERAL MILK ORDER MARKETING	ORDER NO.	RECEIPTS FRO	M PRODUCERS	RECEIPTS US	ED IN CLASS I		Γ USED IN ASS I	BLEND	PRICE <u>2</u> /	BUTTER- FAT DIFF.
AREAS <u>1</u> /		1999 TOTAL	CHANGE FROM 1998	1999 TOTAL	CHANGE FROM 1998	1999	1998	1999	1998	1999
		MIL. LB	PERCENT	MIL. LB	PERCENT	PER	CENT	DOL	LARS	CENTS
Southwest Plains (Oklahoma City)	106 <u>5</u> / <u>6</u> /	231.4	9.7	111.6	-7.0	48	57	15.12	17.40	10.7
Texas (Dallas)	126 <u>5</u> / <u>6</u> /	556.8	35.8	277.2	4.3	50	65	15.62	17.44	10.7
SOUTHWEST REGION		788.2	26.9	388.8	0.8	49	62	15.47	17.43	10.7
E. Colorado/W. Colorado (Denver)	137 <u>8</u> /	140.2	5.4	74.9	7.8	53	52	15.55	17.18	10.7
SW. Idaho/E. Oregon (Boise)	135 <u>5</u> /	387.7	727.6	17.6	13.9	5	33	10.39	16.64	
Great Basin (Salt Lake City)	139 <u>5</u> /	138.6	3.6	57.2	-23.1	41	56	13.72	16.67	
Central Arizona (Phoenix)	131	225.3	5.9	82.9	-1.3	37	39	13.85	16.74	10.7
New Mexico-West Texas (Albuquerque)	138 <u>5</u> / <u>6</u> /	131.7	-4.7	53.1	2.5	40	37	14.05	16.89	10.7
Pacific Northwest (Seattle/Portland)	124	550.4	2.7	177.6	0.1	32	33	13.62	16.40	
FAR WEST REGION		1,573.8	31.1	463.2	-1.9	29	39	13.07	16.64	10.7
ALL-MKT. AVERAGE OR TOTAL	<u>9</u> / <u>10</u> /	9,311.8	35.2	3,810.0	2.4	41	54	14.37	17.06	10.7
YEAR-TO-DATE AVG/TOTAL	T									
Northeast Region		22.147.5	0.8	9,326.6	-0.5	42	43			
Southeastern Region		10.939.3	2.6	8,900.0	2.0	81	82			
Midwest Region		37.991.5	4.9	13,572.4	0.3	36	37			
Southwest Region		8,639 6	6.8	4,326.3	1.5	50	53			
Far West Region		14,769.8	-0.5	5,147.3	-0.5	35	35			
ALL MARKET AVERAGE OR TOTAL	<u>9</u> / <u>11</u> /	94,487.6	2.9	41,272.5	0.5	44	45	14.33	14.70	

1/ Names in parentheses are principal cities and pricing points of markets. 2/ Prices are for 100 pounds of milk with a butterfat content of 3.5%. 3/ Amount by which the blend price is adjusted for each .1% that the butterfat content of a producer's milk varies from 3.5%. For example, if the butterfat content of the milk that a producer delivers to a regulated handler located in Boston (New England's market) is 4.0%, then the producer's blend price would be \$16.67. (4.0 minus 3.5 equals \$0.535; \$16.13 plus \$0.535; \$16.13

CCC PURCHASES OF DAIRY PRODUCTS

	:	FOR THE PE	RI C	D OF DECEMBER	20	- 22	:	CUMULAT	IVE	TOTALS		UNCOMMITTED	ΙN	VENTORI ES
	:	TOTAL	:	CONTRACT	:	ADJUSTED	:	SINCE	:	SAME PERIOD	:	PERIOD ENDING	:	SAME PERIOD
	:	PURCHASES	:	ADJUSTMENTS	:	PURCHASES	:	10/01/99	:	LAST YEAR		12/17/99	:	LAST YEAR
BUTTER	:		:		:		:		:		:		:	
Bul k	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
Packaged	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-		-0-	:	-0-
TOTAL	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-		-0-	:	-0-
CHEESE	:		:		:		:		:		:		:	
Block	:	-O-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
Barrel	:	-O-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
Process	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
TOTAL	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
NONFAT DRY MILI	(:		:		:		:		:		:		:	
Nonforti fi ed	:	5, 914, 148	:	259, 039	:	5, 655, 109	:	33, 312, 068	:	103, 384	:	-0-	:	-0-
Forti fi ed	:	90, 940	:	-0-	:	90, 940	:	3, 490, 769	:	-0-	:	-0-	:	-0-
TOTAL	:	6, 005, 088	:	259, 039	:	5, 746, 049	:	36, 802, 837	:	103, 384	:	-0-	:	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

PERIOD OF DECEMBER 20 - 22, 1999 = CUMULATIVE SINCE OCTOBER 1, 1999 = CUMULATIVE JANUARY 1 - DECEMBER 22, 1999 =	MI LKFAT* <u>BASI S</u> 1. 3 8. 1 49. 0	SKIM** <u>SOLIDS</u> <u>66.9</u> <u>428.4</u> 2.593.0	COMPARABLE WEEK IN 1998 = CUMULATIVE SAME PERIOD LAST YEAR = COMPARABLE CALENDAR YEAR 1998 =	MI LKFAT* <u>BASI S</u> <u>0. 0</u> 0. 0 25. 0	SKI M** <u>SOLI DS</u> <u>0. 0</u> <u>1. 2</u> 1. 321. 4
CUMULATIVE JANUARY 1 - DECEMBER 22, 1999 =	<u>49. 0</u>	<u>2. 593. 0</u>	COMPARABLE CALENDAR YEAR 1998 =	<u>25. 0</u>	<u>1. 321. 4</u>

^{*} Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

				CCC ADJUSTI	<u>ED F</u>	<u>PURCHASES F</u>	-OR	THE PERIOD	0F	<u>DECEMBER</u> :	<u> 20 - </u>	22, 1999	(POL	<u>JNDS)</u>		
	:			BUTTER			:			CHEESE				NONFAT	DRY	/ MILK
REGI ON	:	BULK	:	PACKAGED	- :	UNSALTED	:	BLOCK	:	BARREL	- :	PROCESS	:	NONFORTI FI ED	:	FORTI FI ED
MI DWEST	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	257, 937	:	-0-
WEST	:	-O-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	5, 397, 172	:	90, 940
EAST	:	-0-	:	-0-	:	-0-		-0-	:	-0-	:	-0-	:	-0-	:	-0-

		CCC ADJU	JSTED	PURCHASES	SINCE	10/1/99	AND SA	ME PERIOD	LAST	YEAR (POUNI	DS)	AND MILK E	EQUI VA	LENT AS A	PERCI	ENT OF TOTAL
	:		BUTTER	?	:		CHEESE		:	NONFAT	DR'	Y MILK	:	MILK	EQUI	VALENT
REGION	:	1999/00	:	1998/99	:	1999/00) :	1998/99	:	1999/00	:	1998/99	:	1999/00	:	1998/99
MI DWEST	:	-0-	:	-0-	:	-0-	:	-0-	:	1, 011, 208	:	-0-	:	2. 7	:	0. 0
WEST	:	-O-	:	-O-	:	-0-	:	-0-	:	35, 791, 629	:	103, 384	4 :	97.3	:	100.0
EAST	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	0.0	:	0. 0
TOTAL	:	-0-	:	-0-	:	-0-	:	-0-	:	36, 802, 837	:	103, 384	4 :	100.0	:	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

<u>BUTTER:</u> Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow & Total Cow S	Slaughter under Federa	al Inspection, by Regions & U.S.	., for Week Ending 12/04/99 & Comparable Week 1998 1/ 2/
			: U.S. TOTAL : % DAIRY OF ALL
Regions* : 1	: 2 : 3 : 4 :	5 : 6 : 7 : 8 : 9 :	10 : WEEK : SINCE JAN 1: WEEK : SINCE JAN 1
1999-Dairy cows HD (000): 0.3	1.0 6.9 5.8 2	2.2 2.3 2.2 0.9 11.2	
1998-Dairy cows HD (000): 0.2	1.5 6.1 6.0 2	1.9 2.6 3.0 1.0 9.6	2. 5 54. 4 2, 473. 8 41. 4 44. 8
1999-AII cows HD (000): 0.3			
1998-AII cows HD (000) : 0.3	1.5 8.3 17.4 3	1. 5 21. 3 22. 0 7. 5 13. 1	8. 7 131. 5 5, 521. 2

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

				BASIC	FORMULA	PRICE (BFF	P), MAY 19	95* TO DA	TE & HISTO	ORIC M-W (3.5% BF, S	\$/CWT.)	=	
YEAR	:	JAN. :	FEB.	: MAR.	: APR.	: MAY	: JUN.	: JUL.	: AUG.	: SEP.	: OCT.	: NOV.	: DEC.	
1994		12. 41	12. 41	12. 77	12. 99	11. 51	11. 25	11. 41	11. 73	12. 04	12. 29	11. 86	11. 38	
1995		11. 35	11. 79	11. 89	11. 16	*11. 12	11. 42	11. 23	11. 55	12.08	12.61	12.87	12. 91	
1996		12. 73	12. 59	12.70	13. 09	13.77	13. 92	14. 49	14. 94	15. 37	14. 13	11. 61	11. 34	
1997		11. 94	12.46	12.49	11. 44	10.70	10.74	10.86	12. 07	12. 79	12.83	12. 96	13. 29	
1998		13. 25	13. 32	12. 81	12. 01	10. 88	13. 10	14.77	14. 99	15. 10	16.04	16.84	17.34	
1999		16, 27	10. 27	11. 62	11. 81	11, 26	11. 42	13, 59	15. 79	16, 26	11.49	9. 79		